

Chairman Lamar Alexander – Opening Statement
Compensating College Athletes: Examining the Potential Impact on Athletes and Institutions
U.S. Senate HELP Committee – Tuesday, September 15, 2020

Introduction:

The question for this hearing is whether the tradition of an intercollegiate student-athlete is worth preserving, and if so, how to do it? Specifically what will be the impact on that tradition if a growing number of states pass laws allowing commercial interests to pay individual athletes for the use of their name, image and likeness?

I have had two experiences that help me answer those questions.

The Value of the Student-Athlete Experience:

First, in 1960, during my sophomore year in college, I was exercising on Vanderbilt University's cinder track. A man watching me had in his right hand a large watch. He introduced himself as Track Coach Herc Alley and asked my name.

"Did you run track in high school," he asked.

"No," I said, "our high school didn't have a team."

"Why don't you run one hundred yards for me," he said. I did.

He examined his stopwatch and said, "10.1 seconds. Remarkable! I have three really fast boys for my 440-yard relay team. Why don't you be the fourth?"

So I joined the Vanderbilt track team running the mile relay, the 440-yard relay and the 440-yard dash. My job was to carry the baton from the first really fast guy to the third really fast guy.

The next year our team set the school record in the 440-yard relay. We sometimes practiced with student-athletes from Tennessee A&I who were Olympians including Ralph Boston, Wyomia Tyus and Wilma Rudolph. Coach Alley had no scholarships to offer. His teams rode buses to meets. Our cinder track made it hard to establish fast times. Scraping together teams of non-scholarship athletes, he produced several SEC track champions.

Coach Alley's enthusiasm that day gave me an experience that millions of young men and women have had—that of being an intercollegiate student athlete.

Someone else who had that experience is Sen. Richard Burr, a member of this committee, who was a scholarship football player at Wake Forest.

My experience taught me a number of important lessons, including this one: When joining a relay team, be sure to choose teammates who can run better than you can run. Not bad advice for being an effective United States Senator.

As the college football season gets underway, even amidst COVID-19, we are reminded of how important these games are to student-athletes, to their institutions, and to millions of spectators.

This fascination with sporting competition is nothing new, according to the Knight Commission's 1991 report, which observed: "The appeal of competitive games is boundless. In ancient times, men at war laid down their weapons to compete in the Olympic Games.

Today, people around the globe put aside their daily cares to follow the fortunes of their teams in the World Cup. In the United States, the Super Bowl, World Series, College Football and the NCAA Basketball Tournament command the attention of millions. Sports have helped break down bigotry and prejudice in American life. On the international scene, they have helped integrate East and West, socialist and capitalist. The passion from sport is universally shared across time and continents."

But concerns with problems in college sports are also nothing new: The Knight Commission was established in 1989 to address scandals in college sports that were shaking public confidence, not just of big time collegiate athletics, but the whole institution of higher education.

Well before that, in 1929, a report from the Carnegie Foundation said recruiting had become corrupt, professionals had replaced amateurs, education was being neglected and commercialism reigned.

Before that, in 1906, partially in response to criticism from President Teddy Roosevelt, the National Collegiate Athletic Association (NCAA) had been formed to protect the safety of players and deal with corruption.

The Wrong Way to Fix Problems with College Sports:

My second experience forming my opinion on today's hearing came from my service on the Knight Commission when I was President of the University of Tennessee.

Our commission recommendation was that university presidents take charge of college athletics and the huge amount of television money it attracted and restore academic and financial integrity of the programs. As a result, over the next several years, academic standards became more stringent, financial support for student athletes increased, and college presidents asserted more responsibility over financial controls.

What is especially relevant to today's hearing is that, despite the problems surrounding intercollegiate athletics then, the Knight Commission strongly endorsed keeping the student-athlete tradition.

What it said is worth repeating:

"We reject the argument that the only realistic solution to the problem is to drop the student-athlete concept, put athletes on the payroll and reduce or even eliminate their responsibilities as students."

"Such a scheme has nothing to do with education, the purpose for which colleges and universities exist. Scholarship athletes are already paid in the most meaningful way possible: with a free education. The idea of intercollegiate athletics is that teams represent their institutions as true members of the student body and not as hired hands. Surely American higher education has the ability to devise a better solution to the problems of intercollegiate athletics than making

professionals out of the players, which is no solution at all but rather an unacceptable surrender to despair.”

I hope those words from the Knight Commission 30 years ago will guide how Congress deals with the newest issue threatening the concept of student-athletes: allowing commercial interests to pay athletes for use of their name, image and likeness.

Already 4 states have enacted laws sanctioning such payments in various forms and more than 30 other states are considering legislation. Sen. Roger Wicker, Chairman of the Commerce Committee, is considering whether there ought to be congressional action.

Our purpose today, as the Senate’s education Committee, is to inform the work of the Commerce Committee by considering the impact of such payments to athletes on the tradition of the student-athlete.

Who are Today’s Student Athletes?

First, it would make sense to consider exactly who and what we are talking about. Last year about 20 million undergraduates attended America’s 6,000 colleges and universities. Nearly 1,100 of these 6,000 colleges and universities are members of the NCAA.

More than 460,000 young men and women participate in 24 different sports each year in about one quarter of one million contests. About 300 of those institutions play football and basketball at the highest levels.

Fewer than 2 percent of student-athletes will go on to play professional sports, according to the NCAA. This means we are talking about approximately 9,000 college student athletes who compete in a few sports out of more than 460,000 college athletes across 24 sports.

So the current controversy is primarily about a small percentage of these 9,000 students who play football, baseball or men’s or women’s basketball and whose skills—or the institutions for which they play—make them attractive targets for recruiting offers that will combine their scholarship dollars with endorsement money.

For example, an exceptional quarterback, pitcher, or running back might be offered a \$500,000-a-year endorsement by a car dealership in the same town as a college with a big time football, baseball or basketball program.

As the Knight Commission report said, student athletes already are paid in the most meaningful way: with a free education. Athletic scholarships are limited to tuition and fees, room and board and required course related books, but this can add up to a lot of money.

The University of Tennessee estimates that it spends \$115,000 a year per student athlete including room and board, student stipends, academic support, meals, sports medicine and training, travel and equipment.

Student athletes may also combine other sources of financial aid, including federal or state need-based aid, to help cover the full cost of attendance. These include Pell Grants, Supplemental Education Opportunity Grants, work-study, state grants based on need using federal need

calculations such as Tennessee's HOPE Scholarship and veterans programs such GI Bill or post 9/11 GI Bill.

About 92,000 or 20 percent of student-athletes receive Pell grants, which can be as much as \$6,345.

According to the College Board, the value of a college degree is \$1 million over an individual's lifetime.

According to the NCAA, 88% of Division-I student athletes will earn a degree.

Now, to the question at hand: should Congress act or should varying state laws govern payments for name, image and likeness to student athletes?

Is a patchwork set of regulations worth the confusion it will cause with unrestrained boosters, creative agents, the impact on Title IX on men's and women's programs, on a coach's effort and, most of all, on the tradition of the student athlete?

Solving that question will be the job of the Commerce Committee, but we can inform their decision with today's testimony and from Senators' questions and comments on our committee.

Proposal:

Based upon my experience as a student athlete, my time as a University President and my work with the Knight Commission, I offer these suggestions:

- The Knight Commission was correct to say that student-athletes should not be on the payroll and treated as hired hands.
- Congress should act, but in as limited a way as possible, to authorize an independent entity, safe from litigation, to write rules governing payments for the use of name, image, and likeness. Congress should provide aggressive oversight of that entity, rather than try to write the rules.
- That governing entity should be the NCAA. I know, I know—the NCAA is controversial. So will be any entity writing rules for intercollegiate athletics. If the NCAA is not doing a good job, the college presidents who are in charge of it should reform it. Giving the job to a new entity would take forever. Giving the job to some existing entity, such as the Federal Trade Commission, without expertise and without any responsibility for higher education makes no sense.

Now, as to the rules the NCAA should write, here is what I believe should be the overriding principle: Money paid to student athletes for their name, image, and likeness should benefit all student athletes at that institution.

Following this principle would allow the earnings to be used for additional academic support, further study or degrees, more health insurance options, more support for injured players and other needs. It would avoid the awkwardness of a center who earns nothing snapping the ball to a quarterback who earns \$500,000 for promoting the local auto dealer.

It avoids the inevitable abuses that would occur with agents and boosters becoming involved with outstanding high school athletes. It would avoid the unexpected consequences to the other teams at an institution because of the impact on Title IX or the impact on existing student aid available to athletes.

Such a principle preserves the right of any athlete to earn money for use of his or her name, image or likeness. It simply says, if you elect to be a student-athlete, your earnings should benefit all student athletes at your institution; if you want to keep the money and be someone's employee, you join a professional team.

This system would create the same kind of choices that today's NCAA rules for college baseball require. A high school student must stay three years if he chooses to participate in a college baseball program.

Take Vanderbilt's baseball program: David Price, Sonny Gray, and Dansby Swanson—all very successful professional athletes now—all were drafted by major league baseball teams while in high school. They could have earned a good deal of money going directly into professional baseball. Instead, they chose a Vanderbilt education, three years of college experience and the opportunity to be taught by Coach Tim Corbin. If Price, Gray and Swanson had been permitted to sell their name, image, and likeness while at Vanderbilt, under this principle, their earnings would have been used for the benefit of all of Vanderbilt's sports teams, men and women.

Applying such a principle to all intercollegiate athletics might cause a few talented athletes to join professional leagues immediately after high school. That is their right. But if that young athlete prefers the college experience, the expert coaching and teaching, the free education, other academic support, and the additional \$1 million dollars in their lifetime that comes with earning a college degree, then their earnings should benefit all student athletes at that institution.

And while the NCAA is making new rules, it ought to assign most of the new TV revenues to institutions for use in academic support of student-athletes rather than continue to encourage inordinately high salaries for some coaches.

Conclusion:

I do not see a good ending to allowing a few student athletes to be paid by commercial interests while most of their teammates are not.

If young athletes want to be a part of a team, enjoy the undergraduate experience, learn from coaches who are among the best teachers, and be paid a full scholarship that helps them earn a degree worth \$1 million during their lifetime their earnings should benefit all student athletes at that institution.

If they prefer to keep the money for themselves, let them become professionals.

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